LNF & IHCIF Calculations Illustration

- WARM SPRINGS in Portland area -

Given Data

- 4,788 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 31% = % Expenditures on purchased services, 69% = % expenditures in-house
- 110.0% = Cost index for purchasing health care in this geographic area
- 113.3% = Size cost index for in-house costs due to small or large size
- 96.9% = Portland area cost index for health status above or below average

Cost Adjustment Calculations

- $1,027 per person for purchased services = 31% * 110.0% * $2,980
- $2,317 per person for in-house services = 69% * 113.3% * $2,980
- $3,345 per person total = $1,027 (purchase) + $2,317 (in-house)
- **$3,242 per person total** adjusted for health status = $3,345 * 96.9%
- **$2,497 per person net cost** = $3,242 - $745 Other resources (M&M&PI)

Existing Expenditures (for 4,788 users excluding wrap-around and collections)

- $1,967 per person = local IHS allowance (excludes $ for wrap-around)
- $152 per person = expenditures elsewhere in Portland area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$2,173 per person for OU users** = $1,967 + $152 + $54

LNF Calculation

- **67.0% Gross LNF** = $2,173 (expenditures) / $3,242 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **87.0% Net LNF** = $2,173 / $2,497 net cost ($3,242 - $745 other)

IHCIF Allocation

- $0 = $ to raise LNF% from 87.0% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$0 Allocation** = $0 needed for 60% * 3.488% IHCIF fraction

WARM SPRINGS Unmet Needs

- **$11,955,084 Net Total Need** = 4,788 users * $2,497 net cost
- **$1,550,315 Net Unmet Need** = (100% - 87.0% LNF) * 4,788 users * $2,497 net cost